Housing Occupancy and Tenure

Of the 10,701 year-round dwelling units reported by the Department of Finance, 10,242 units (96 percent) were occupied and 459 units (four percent) were vacant in 2000. However, 2000 Census reports show that 245 units in Morgan Hill were vacant (Table 11). In 2000, more housing units were owner-occupied (72 percent) than renter-occupied (28 percent). By comparison, the tenure of occupied housing units in the County was 60 percent owner-occupied units and 40 percent for renter-occupied units.

Rental Availability

Rental availability in Morgan Hill is low, with a rental vacancy rate of 2.6 percent. The low vacancy rate means that there are limited housing choices for residents who cannot afford to purchase a home in Morgan Hill. A 5 percent rental vacancy rate is considered necessary to permit ordinary rental mobility. With a 2.6 percent vacancy rate tenants have difficulty locating appropriate units in Morgan Hill. Although there are many rent controlled units made available to low- and moderate-income residents, the strong market pressure has inflated non-controlled rents beyond the reach of the very low-, low-, and moderate-income Morgan Hill residents.

Table 11

Type of Vacant Units in Morgan Hill (2000)

Unit	Number of Units in City	Number of Units in County	Percent of City Vacant Units*	Percent of County Vacant Units*
For Rent	81	4,255	33%	32%
For Sale Only	49	1,575	20%	12%
Seasonal	34	2,505	14%	19%

Source: 2000 U.S. Census.

*Note: Percentage totals do not equal 100, as units that are vacant yet unavailable for any type of occupancy are not listed by the Census.

Analysis of tenure by ethnicity for 1990 (2000 tenure by ethnicity is not yet available) in Table 12 reveals that most homeowners and renters in Morgan Hill and Santa Clara County are White. The results are largely a function of population distribution, as Whites comprise the largest percent of the population.

Table 12

Tenure by Race and Hispanic Origin (1990)

Race	Morgan Hill	Percent	Santa Clara County	Percent
Owner Occupied Units				
White	4,619	83%	225,224	78%
Black	57	1%	5,926	2%
Native American	35	1%	1,057	<1%
Asian/Pacific Islander	269	4%	41,184	14%
Others	0	0%	19,834	4%
Hispanic Origin	603	11%	13,148	5%
Renter Occupied Units				
White	1,436	65%	131,173	69%
Black	21	1%	11,657	6%
Native American	32	1%	1,254	<1%
Asian/Pacific Islander	27	1%	26,812	14%
Others	6	>1%	222	<1%
Hispanic Origin	703	32%	19,612	10%

Source: 1990 U.S. Census.

Ownership rates shown in Table 13 reveal that there were more owners in most ethnic groups than renters, with the exception of persons of other races and Hispanic origin. Asian/Pacific Islanders had the highest rate of homeownership, followed by Whites and Blacks. The low homeownership rate among persons of Hispanic origin in Morgan Hill is likely indicative of their lower incomes.

Table 13

Homeownership Rates

Race	Owners	Renters	Ownership Rate	Rental Rate
White	4,619	1,436	76%	24%
Black	57	21	73%	27%
Native American	35	32	52%	48%
Asian/Pacific Islander	269	27	91%	9%
Other	0	6	0%	100%
Hispanic Origin	603	703	46%	54%

Source: 1990 U.S. Census.

Analysis of 1990 Census data on tenure by age of householder in Morgan Hill reveals adults aged 45 and over tended to have higher homeownership rates, while younger adults mostly rented rather than owned their homes. With the exception of householders under age 35, between 75 percent and 84 percent of residents of Morgan Hill own their own homes. Even among householders age 25 to 34, over half (52 percent) are homeowners. This is an exceptionally high homeownership rate for this age group compared to countywide and statewide trends.

Of all owner occupied housing in 1990, most were owned by homeowners between the ages of 25 and 54 (Table 14). Those within the 45 to 54 age group had the highest rate of ownership at 84 percent followed by those age 55 and over at 78 percent. Not surprisingly, few persons age 15 to 24 owned housing units, just as few seniors age 75 and over rented housing units in Morgan Hill.

Table 14

Tenure by Age of Householder (1990)

Age	City	Percent	County	Percent
Owner Occupied Units				
15 to 24	36	1%	2,362	1%
25 to 34	882	16%	49,309	16%
35 to 44	1,750	31%	76,171	25%
45 to 54	1,461	26%	68,348	22%
55 to 64	606	11%	52,383	17%
65 to 74	508	9%	37,007	12%
75 and over	340	6%	21,744	7%
Total	5,583	100%	307,324	100%
Renter Occupied Units				
15 to 24	138	6%	21,291	10%
25 to 34	799	36%	82,729	39%
35 to 44	583	26%	51,615	24%
45 to 54	286	13%	23,776	11%
55 to 64	183	8%	13,288	6%
65 to 74	142	6%	10,336	5%
75 and over	94	4%	9,821	5%
Total	2,225	100%	212,856	100%

Source: 1990 Census.

Housing Rehabilitation and Replacement Needs

A majority of homes in the City of Morgan Hill were constructed between 1970 and 2000 as shown in Table 15 below. Therefore, there are few homes in Morgan Hill in substandard condition. The recent surge in housing costs in the City has resulted from an increase in housing demand and provides an incentive for property owners to maintain and improve their homes. Homes in need of repair are often occupied by lower-income homeowners, including seniors, who cannot afford to repair or properly maintain their homes. When purchased, these homes are quickly rehabilitated, thereby resulting in a reduction in the number of homes in substandard condition. Less than 10 percent of Morgan Hill's housing stock (fewer than 1,000 dwelling units) needs deferred maintenance or rehabilitation (including older mobilehomes), while less than 1 percent is in need of replacement.

Redevelopment Efforts in the Project Area

According to Roger Malech of Seville-Contempo Properties (Personal communication, August 30, 2001), the majority of housing in Morgan Hill is in good condition, not in need of extensive rehabilitation. There are areas within the central portion of Morgan Hill; however, where significant rehabilitation may occur. The City has focused its efforts on rehabilitating the redevelopment project area, thereby improving those substandard homes.

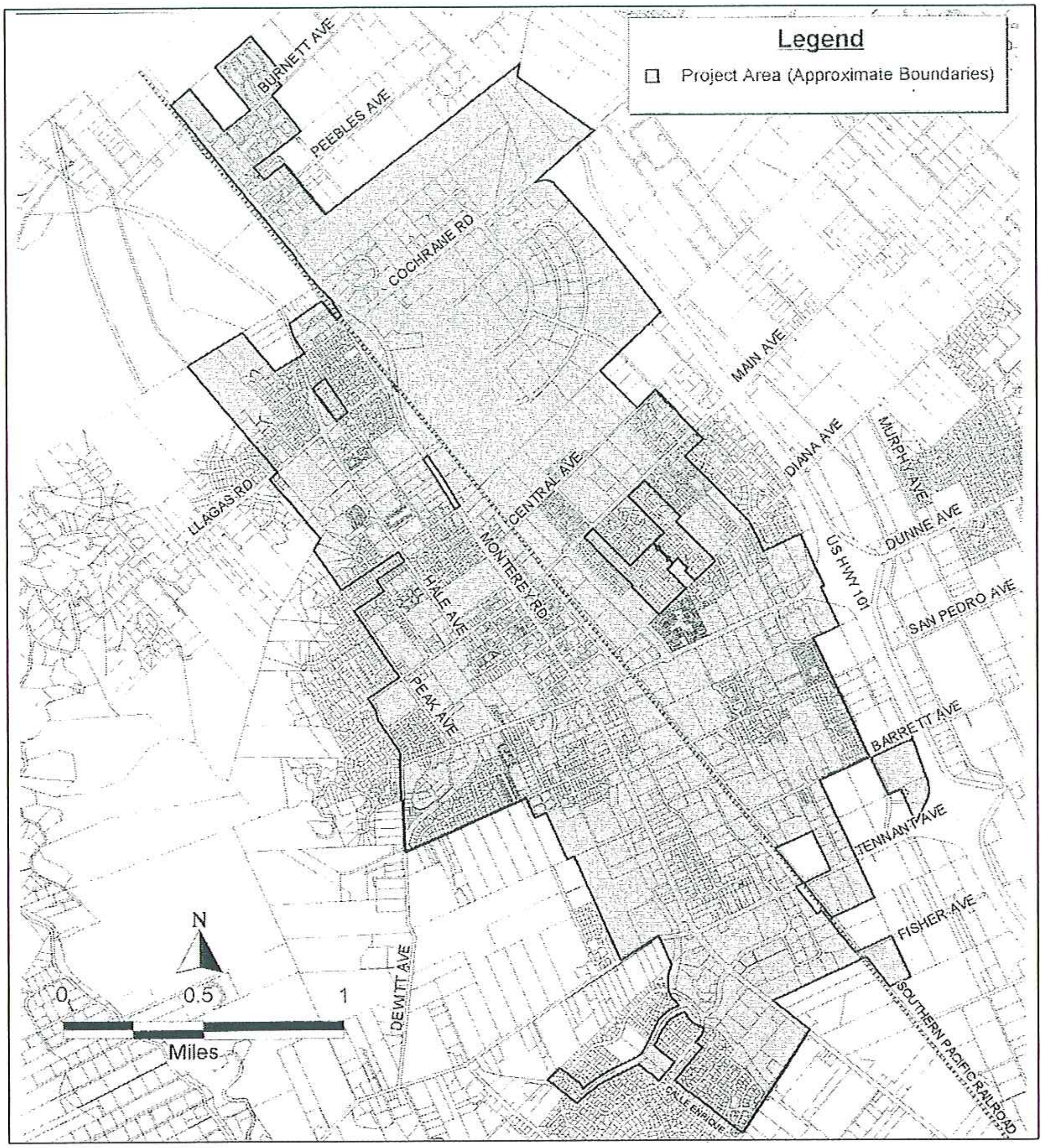
The Redevelopment Agency has established a Redevelopment Plan for the central area of Morgan Hill (Figure 5). According to the Redevelopment Agency's Implementation Plan established in December 1999, redevelopment efforts include structural restoration, commercial enhancement, infrastructure improvements and other efforts to improve the quality of life and land use patterns in the area. The Plan also includes efforts to provide affordable housing. Between 1995 and 1999, 855 housing units were constructed or replaced within the redevelopment area. Approximately 183 of these units were very low-income and 153 were low/moderate-income units. The development of these units exceeded the RDA 15 percent affordability goals by 131 very low-income units and 163 low/moderate-income units. According to the 1999 Plan, only 1,019 new homes may be built between 2000 and 2004 due to RDCS limitations, of which 560 are anticipated within the redevelopment project area. The Plan estimated that 183 very low-income units and 193 low/moderate-income units will be constructed in the redevelopment project area between 2000 and 2004. Projections for 2005 through 2009 estimate 1,150 homes will be built or restored in the redevelopment project area, of which 69 units would be very low-income and 104 units would be low/moderate-income.

According to the Redevelopment Agency's Implementation Plan, Housing Set Aside Projections for 2000 through 2004 estimate $13,987,820 will be available for housing rehabilitation loans (30 percent or 190 loans), senior housing and mobilehome repair grants (15 percent or 300 loans), below market rate housing (5 percent of loans), and new development/major rehabilitation/special programs (50 percent or 200 projects).

The Redevelopment Agency administers a variety of programs/projects to increase and preserve the supply of affordable housing in the community. With regard to rehab loans and grants, the Agency offers the single family ownership and multi-family rental housing rehabilitation program, paint and lead paint abatement grant program, senior housing repair and mobile home repair programs (SHRP & MHRP). The SHRP and MHRP provide funds to correct health and safety problems such as roof replacements, replacing old water heaters, and replacing dry rot. The Agency also contracts with non-profit developers to build new affordable units or to rehabilitate older units in town. In addition, the Agency also administers the City's Below Market Rate (BMR) programs and Community Development Block Grant (CDBG) programs, which provide low cost housing and program funding, respectively.

Figure 5

Morgan Hill Redevelopment Project Area



Source: City of Morgan Hill, Public Works Department, 1998.

Table 15

Age of Morgan Hill's Housing Stock

Year Structure Built	Total	Total Occupied	Renter Occupied
1991-2000	2,544	N/A	N/A
1980-1990	2,896	2,752	752
1970-1979	3,645	3,548	839
1960-1969	733	695	270
1950-1959	312	285	85
1940-1949	305	275	125
1939 or earlier	266	253	154
Total	10,701	7,808	2,225

Source: 1990 Census, and California Department of Finance, 1990-2000 City/County Population and Housing Estimates.

Overcrowded Households

Another indicator of housing need is the percentage of households living in overcrowded conditions. Most housing analysts define overcrowding as more than one person per room, excluding bathrooms, hallways, and service areas.

Morgan Hill had a relatively low incidence of overcrowding in 1990—531 households (7 percent) were overcrowded. By comparison, Santa Clara County had an 11 percent overcrowding rate. Overcrowding in Morgan Hill occurred more often in rental housing (17 percent) than owner-occupied housing (3 percent). There were 369 overcrowded rental units and 162 overcrowded owner-occupied units.

The low percentage of large families combined with the low incidence of overcrowding indicates that there is not a large proportion of the population living in overcrowded conditions. However, overcrowding is a significant problem among large families, mostly those of Hispanic origin, who cannot afford adequate housing of sufficient size to meet their needs.

Housing Costs

Home Prices

Recent trends in home prices in Morgan Hill and in Santa Clara County show a dramatic increase in median home prices in the area. Sales of existing homes in California in the second quarter of 2001 posted a 7.5 percent increase and the median home price rose to $258,110 (California Association of Realtors August 13, 2001). Morgan Hill's median home price for the month was $475,000, a decrease of 9.1 percent from sales prices in July 2000. The California Association of Realtors lists the median housing prices for the County as of July 2001 as $462,000. The median sales price in July increased by 3.4

percent in the County as compared to July 2000. Compared with California and the rest of the country, fewer households in Santa Clara County – 29 percent in 1998 – can afford to purchase the median-priced home. Housing affordability was actually lower in 1990 (as measured by the percentage of households that can afford the median-priced home); increasing during the economic downturn of the early 1990s, but declining again in recent years. Prices are likely to fluctuate based on economic and social events; however, the figures represented here reflect the trends occurring when this analysis was prepared.

Table 16 lists prices of homes for sale as of October, 2001. The listing comes from Shanna Boigon of Coldwell Banker Real Estate. Most homes for sale have three or four bedrooms. There were 20 listings for townhomes/condominiums in Morgan Hill during the month of October. According to Roger Malech (Seville-Contempo Properties August 30, 2001), home prices range from the low $400,000 to well over $1,000,000. Between June 1 and August 30, 2001, 106 homes were sold in Morgan Hill with an average price between $400,000 and $600,000. Only four homes sold for over $1,000,000 and only 20 homes sold for under $400,000. Very few new custom homes in the higher end cost ranges are being constructed. Only 23 new homes were on the market as of August 30, 2001 and they range in price from $439,950 to $4,000,000.

Table 16

Home Prices in Morgan Hill (2001)

	Bedrooms	Units for Sale	Median	Average	City Range	% of Total
Single Family Homes						
	2	7	$339,000	$316,857	$245,000-$375,000	3%
	3	49	$458,000	$510,010	$339,000-$1,349,000	20%
	4	95	$629,000	$688,415	$419,999-$1,749,000	39%
	5+	44	$849,950	$1,125,835	$499,000-$5,000,000	18%
Total	--	195	--	--	--	80%
Condominiums						
	2	14	$319,000	$327,857	$295,000-$399,500	6%
	3	6	$344,950	$356,483	$335,000-$404,000	2%
Total	--	20	--	--	--	8%
Mobile Homes						
	2	19	$155,000	$145,380	$39,900-$239,500	8%
	3+	11	$137,000	$144,832	$89,900-$239,900	4%
Total	--	30	--	--	--	12%

Source: Coldwell Banker, October, 2001.

Table 17 compares median home prices in the County to other counties in the region between July 2000 and July 2001. Median home prices in Santa Clara County are above average in the region. Therefore, the housing market in Morgan Hill as with the remainder of Santa Clara County is likely to only attract above moderate-income households.

Table 17

Comparative Median Home Prices (2000 - 2001)

County	July 2000	July 2001	Percent Change between 2000 and 2001
Santa Clara	$462,500	$447,500	3.4%
San Mateo	$520,000	$470,000	10.6%
Alameda	$365,000	$340,500	7.2%

Source: California Association of Realtors, July 2001.

Rental Rates

The 1990 census data shows rents were higher in the City of Morgan Hill than in Santa Clara County. The median rental costs in Morgan Hill was $811 in 1990 compared to $773 in Santa Clara County. This might be caused by the fact that Santa Clara County has a more diverse housing stock with more multi-family units that the City of Morgan Hill. According to the 1990 Census, Morgan Hill's rental stock consists of 47 percent single-family rentals, 29 percent multi-family, non-condominium rentals, 20 percent condominium rentals, 4 percent mobilehome rentals, and less than 1 percent other rentals. In comparison, Santa Clara County's rental stock consists of 49 percent multi-family, non-condominium rentals, 33 percent single-family rentals, 17 percent condominium rentals, 1 percent other rentals, and less than 1 percent mobilehome rentals. Therefore, Morgan Hill's rental stock contains a higher percentage of single-family home rentals than the County, causing the median rental cost for the City to increase as rental rates for houses are typically higher than apartment rental rates.

A recent California Budget Project Report (May 2000) confirms that rental rates far exceed the Fair Market Rent for a two-bedroom apartment in 1999. The Fair Market Rent is a rent level established by the Federal government for participation in various rental subsidy programs, but does not necessarily indicate the average market rents being charged in an area. Fair market rents for the Santa Clara County area in fiscal year 2000 are provided in Table 18 below. For the 40th percentile fair market rents for manufactured home spaces in the Section 8 Choice Housing Program, space rents in Santa Clara County are listed at $1,131 for fiscal year 2000 (Federal Register, April

2001). Rents in Santa Clara County exceed the Fair Market Rent for both one- and two-bedroom apartments (Department of Finance 2000). Rental costs have increased far more than incomes throughout the County (San Jose Mercury News September 2000).

Table 18

Fair Market Rents for Existing Housing in Santa Clara County

Studio	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms
$1,131	$1,289	$1,592	$2,182	$2,451

Source: Federal Register, HUD, April 2001.

Rental stock available in Morgan Hill is limited at any monthly rental rate. Table 19 shows the rental units listed locally for rent. Listing varies from month to month, however, the vacancy rate in 2000 was 2.6 percent. Out of 56 listings, 28 were single-family homes/duplexes, 10 were condominiums, and 18 were apartments.

Very few units are available at rates affordable to very low-income individuals or families. Rents currently average approximately $1,037 for a one-bedroom apartment in Morgan Hill and approximately $1,289 for a two-bedroom apartment, according to the April Morgan Hill Vacancy Rate Survey. A sample of housing within Morgan Hill revealed that the average two-bedroom home was above $1,500 per month. Rent for a three-bedroom home was $2,300 per month, while rents for four-bedroom homes averaged $3,000 per month. While this sampling shows one-bedroom units fall within the HUD Fair Market Rents for Santa Clara County, units with two or more bedrooms exceed Fair Market Rents on average based on this sample of rental listings.

Table 19

Rental Rates in Morgan Hill (2001)

Type	1 Bed	2 Bed	3 Bed	4+ Bed
Apartment/4-Plex	$520-$1,200	$443-$1,895	$427-$1,700	$619-$1,585
Home/Duplex		$1,495-$1,900	$1,800-$3,000	$2,100-$5,495
Condominium		$1,400-$2,095	$1,900-$2,350	

Source: City of Morgan Hill Rent Vacancy Survey, 2001, Bayrentals.com, and Apartments.com, August 2001.

Affordability Trends

Rental Housing

In 1990, people with very low- incomes had some affordable housing options with about 21 percent of the rental units in the City having rents below 30 percent of their income. People with low incomes had more options than those with very low incomes, as approximately 76 percent of all rental units were affordable to households in this category. There were about 24 percent more rental units available to moderate- and above moderate-income households in 1990. Although 21 percent of the rental units were affordable to very low-income households, availability still suggests a need for housing assistance among the poorest of the community.

Table 20 provides an estimate of the number of affordable rental units at each income level. The percentage of apartments affordable within the low- and moderate-income groups is cumulative and includes the percentage from the previous income group. Also, households of many income levels will often compete for housing in the same price range, so the existence of lower-cost units does not mean that such units are actually available to lower-income households.

Table 20

Affordability of Rental Housing in Relation to Income 1990

Income Group	Affordable Rent Limit	% of City Rentals	% of County Rentals
Very Low	$601	Approximately 21%	Approximately 22%
Low	$962	Approximately 76%	Approximately 47%
Moderate	$1,443	Approximately 100%	Approximately 100%

Source: 1990 U.S. Census.

Current rental rates in 2001 indicate a dramatic shift in the rental units affordable to very low-, low-, and moderate-income households. Households within these income categories have a difficult time locating appropriate rental units because the 2.6 vacancy rate and the strong market pressure have inflated rents beyond affordability. For example, a person with an income of $48,350 (a low-income level for a single individual) could spend up to $1,200 a month on an apartment, which is approximately 30 percent of the individual's income. A survey of apartment rents in the City as of October 2001 revealed that the average one-bedroom unit was $1,037 per month, which would be affordable to a low-income individual, but unaffordable to a very low-income individual. Based on the Morgan Hill Rent Vacancy Survey, 100 percent of one-bedroom units are affordable to low-income individuals, but only 21 percent of the City's one-bedroom units are affordable to very low-income individuals. Although the economy is slowing in the County and the unemployment rate is increasing, rental rates are still continuing to rise, making adequate rental units unaffordable.

For Sale Housing

A household can typically qualify to purchase a home that is 2.5 to 3.0 times its annual income, depending on the down payment, the level of other long-term obligations (such as a car loan), and interest rates. In practice, the interaction of these factors allows some households to qualify for homes priced at more than three times their annual income, while other households may be limited to purchasing homes no more than two times their annual incomes. Based on the homes sold in the last year and affordability rates at 3.0 times the annual income of a four-person household, Table 21 shows that there were few homes affordable to four-person households in the very low- low- or moderate-income categories. Most of the homes affordable to these groups were homes with foreclosures placed upon them or mobilehomes. All of the mobilehomes were affordable to moderate-income groups, 93 percent were affordable to low-income groups, and only 33 percent were affordable to very low-income groups. None of the single-family homes/condominiums listed by Coldwell Banker as of October, 2001 were affordable to very low- or low-income households and only three single-family homes/condominiums were affordable to moderate-income households. It is important to note that subsidized housing is not included in this housing affordability analysis.

Because of the lower percentage of lower-income residents in the City, most City residents face fewer financial barriers to homeownership compared to County residents. Although the 1990 Census revealed over half of young adults age 25 to 34 were homeowners, prices have risen over the past 20 years, and it has become difficult for low-income and most moderate-income households to purchase a home, with the exception of a small percentage of older homeowners who have substantial equity in an existing home. To afford ownership of even the least-cost home in Morgan Hill, a low-income household would have to possess accumulated equity in an existing home, or equivalently valued assets that could be converted to cash, of at least $189,980. A moderate-income household would have to have accumulated assets of at least $85,220.

According to Roger Malech (Seville-Contempo Properties, August 30, 2001), housing affordability has been a problem in Morgan Hill for a long period of time. However, affordability rates have been improving since November of 2000. Home prices from market fluctuations and high demand levels are the biggest obstacles in providing affordable housing. City programs to increase affordability and home ownership have helped to decrease the problem, but not to a level that eliminates affordability issues.

Table 21

For Sale Units Affordable to Lower-Income Households (2001)

Income Group	Affordability Level	Homes for Sale	Percent of All Homes for Sale
Very Low-	$130,500	10	4%
Low-Income	$208,800	28	11%
Moderate-	$313,200	33	13%

Source: Coldwell Banker, 2001.

Lower Income Households Overpaying for Housing

An important indicator of housing need is the relationship of household income to housing costs. Households should pay no more than 30 percent of their gross incomes for housing costs. This figure is higher for other households because the cost of other necessary goods becomes a smaller percentage of the total income.

According to the 1990 Census, 842 (78 percent) renter households in Morgan Hill with incomes less than $35,000 per year paid more than 30 percent of their incomes for housing (Table 22). Comparatively, 362 (56 percent) owner-occupied households with incomes less than $35,000 per year paid in excess of 30 percent of their incomes on housing.

Table 22

Number of Households Paying Over 30 Percent of Income on Housing

Income	Owners	Renters	Total
Very Low-Income	101	479	580
Lower-Income	261	363	624
Total	362	842	1,204

Source: 1990 Census.

Note: 1990 Census data uses income ranges that do not correspond exactly to the income categories. Therefore, there are people in the lower-income category that actually fall into the moderate-income category and likewise between the very low- and lower-income categories. The numbers in the table include more persons than are actually in those categories.

Further analysis of housing expenditures as a percent of income show that most home owners pay less than 30 percent of their income on housing (Table 23). Renters with income below $34,999 tend to pay a higher percentage of their income on housing. The majority of people earning $50,000 or more paid less than 25 percent of their income on housing regardless of whether they rented or owned.

Table 23

Morgan Hill Housing Expenditure Rate per Income Group

Income	<$10,000	$10,000-$19,999	$20,000-$34,999	$35,000-$49,999	$50,000+	Total Households
Owners						
Under 30%	23%	59%	42%	35%	65%	2,627
30%-34%	0%	0%	10%	8%	15%	583
35%+	77%	41%	48%	57%	20%	1,306
Total Households	82	92	449	554	3,339	4,516
Renters						
Under 30%	7%	4%	36%	68%	98%	1,149
30%-34%	6%	14%	15%	15%	27%	222
35%+	87%	82%	49%	17%	0%	782
Total Households	205	302	569	463	614	2,153

Source: 1990 U.S. Census.

According to the Morgan Hill Draft General Plan EIR (2001), median home prices in Morgan Hill were comparable to prices in San Jose, but less than Santa Clara County in 2000. Unlike other neighboring cities that have priced out moderate-income households, Morgan Hill's average cost home was affordable to moderate-income households in 1995. This is a result of higher incomes in Morgan Hill as compared to Santa Clara County, and RDCS requirements to set-aside below-market housing within RDCS permitting limits to ensure some new housing is affordable to lower-income households.

Assisted Housing Projects

Assisted housing projects in the City can alleviate the financial hardships low-income households may face. Assisted housing projects are those that offer financial aid or provide extra services for people in need of financial or basic living assistance. There are a variety of programs, each focusing on a specific need or with a specific goal to eliminate unmet housing needs in the community. One multi-family complex in the City currently participates in HUD's Section 8 program (in which Federal funds are used to close the gap between the fair market rent and what lower income households can afford to pay) with 20 units in the program. Sycamore Glen has 20 Section 8 units, it is owned and operated by a nonprofit agency; therefore the 20 units at Sycamore Glen are at low risk of being converted when the contract expires in 2009. The contract for Village Avante, a 112-unit federally subsidized project, was terminated in 1999. The Ecumenical Association for Housing (EAH) purchased and rehabilitated Village Avante in 1999 with $2.2 million in assistance from the Redevelopment Agency. EAH manages the two-, three-, four-, and five-bedroom units for very low- and low-income households. Income restrictions will expire in 2054. EAH also owns and manages other affordable housing units in Morgan Hill as discussed in Table 24 below.

There are a number of non-profit organizations providing affordable housing within Morgan Hill. First Community Housing is a private developer that builds affordable housing in San Jose and surrounding areas. They have built 436 low-income residential units, worth more than $45.8 million. Murphy Ranch in Morgan Hill provides 49 very low-income units, 77 low-income units, and 12 moderate-income units.

South County Housing is also a private nonprofit organization that provides affordable housing in Morgan Hill and surrounding areas. They have created 1,300 single- and multi-family housing units for farmworkers, seniors, seasonal laborers, single parents, low-income families, and the homeless. South County Housing also owns and manages over 700 low-income rental units that house over 3,000 residents throughout the Bay Area. In Morgan Hill, South County Housing owns and manages Skeels Hotel, Crest Avenue Apartments, The Willows, Sycamore Glen, Villa Ciolino, Jasmine Square, Royal Court and Depot Commons. Skeels Hotel provides 13 studio units for very low-income households. Income restrictions for Skeels Hotel are not due to expire until 2050. Crest Avenue Apartments provides 28 two-bedroom units for low-income households and its restrictions are due to expire in 2015. The Willows provides 20 two-, three-, and four-bedroom units to very low- and low-income households. Restrictions on this complex are due to expire in 2047. Sycamore Glen offers 20 low-income, senior units and is subsidized through a Section 8 contract due to expire in 2009. Villa Ciolino offers 40 very low-income and two low-income units and receives partial funding from Federal and State low-income Housing Tax Credits. Jasmine Square replaced 43 substandard units with 72 low income units. Royal Court includes 55 apartment units containing one, two and three-bedrooms and 12 ownership single family detached homes, three of which are market rate units. Forty eight of the units are available to persons of extremely or very-low income and the remainder are low or moderate-income affordable. Finally, Depot Commons offers a dormitory-like living arrangement, with 12 studio bed/bath units, and a shared kitchen and living room to very low-income households. Its contract is due to expire in 2050.

EAH, a nonprofit organization dedicated to the development, management and advocacy of affordable housing, has developed over 2,300 affordable housing units and manages over 2,700 units throughout the Bay Area. In addition to Village Avante as mentioned earlier, EAH developed and manages the Cochrane Village Apartments in Morgan Hill. Cochrane Village Apartments provides 96 one-, two-, three-, and four-bedroom apartments for very low- and low-income households. This project is funded through Housing Revenue Bonds, Santa Clara County CDBG Funds, the Santa Clara County Housing Bond Trust Fund, and a three percent loan from the Morgan Hill Redevelopment Agency.

The Housing Authority has one project in Morgan Hill. It is located on San Pedro and is called San Pedro Gardens. It was developed as a combined family rental and purchase housing project and was completed in October of 1992. There are a total of 36 three-bedroom units with 20 rental units (17 very low and 3 low-income units) and 16 sweat equity units.

Table 24 lists RDA assisted housing projects since 1986. Since 1986, 867 affordable units were made available through these projects. Of that total, 463 are reserved for extremely or very low-income households, 237 are reserved for lower-income households, and 24 are for median/moderate-income households. The remaining 143 units are predominantly for-sale units and the affordability level varies. The City of Morgan Hill Redevelopment Agency funds most of the City's programs; however, affordable homes are also provided by market developers because they can be more competitive in the RDCS allocation system if they provide a percentage of affordable units within their developments.

Table 24

Morgan Hill RDA Housing Projects (1986-2006)

Project	Completion Date	RDA Funds	Accomplishments
Preservation Park	1986	$385,000	8 single-family homes under the BMR first-time homebuyer program.
Jasmine Way Sweat Equity	1989	$254,000	16 single-family homes under the BMR first-time homebuyer program.
Las Casas de San Pedro	1989	$175,000	64 senior apartments (33 affordable units which have all expired).
Sycamore Glen	1989	$300,000	20 very low-income senior apartments.
Walnut Creek	1989	$50,000	63 units (5 homes under the BMR first-time homebuyer program of which 1 is designated for low-income, 1 for moderate-income and 3 for median income).
San Pedro Gardens	1992	$825,000	16 sweat equity units and 20 rental units (17 very low and 3 low-income units).
The Willows Apartments	1992	$73,400	20 apartments of which 6 are very low and 13 are lower income units.
Sunrise Meadows	1994	$800,000	60 single-family homes under the BMR first-time homebuyer program. 24 units were sweat equity units.
The Bridge	1995	$70,000	Single shared unit for 6 very low-income persons. The loan is due in 2020.
Depot Commons	1995	$440,000	3 shared single-family homes for persons with very low-and low-incomes.
Parson's Corner	1995	$687,370	10 homes under the BMR first-time homebuyer program of which 5 are low-income and 5 are median-income units.
Skeels Building	1995	$1,400,000	13 very low-income studios located above a commercial development.
Crest Avenue Rehabilitation	1996	$729,520	28 lower-income rentals due to expire in 2016. Additional funds provided by Federal monies and the County HCD

Table 24

Morgan Hill RDA Housing Projects (1986-2006)

Project	Completion Date	RDA Funds	Accomplishments
			Rental Rehab Program totaling $1,160,746.
Del Monte Avenue Rehabilitation	1997	$180,000	3 lower-income rentals due to expire in 2017. Additional funds provided by CDBG grant of $60,000.
Cochrane Village/Morgan Hill Ranch Family Housing	1998	$2,800,000	96 apartments (56 low- and 40 very low-income units).
Village Avante	1999	$2,180,000	112 apartments (89 very low- and 23 lower-income units).
Villa Ciolino	2001	$2,375,000	Replaces 21 units, rehabilitates 8, and adds 13 new units. The 42 family rental units consist of 40 very low-income units and 2 lower income units. Partial funding received from Federal and State Low Income Housing Tax Credits.
Hacienda Valley Mobile Estates	2004	$1,200,000	Assisted in purchase of 166 unit senior mhp. $1.2 mil. loan for rental assistance for 123 owner-occupied homes by very low income households
Jasmine Square	2004	$3,250,000	Replaces 23 substandard units with 72 new low income rental units.
Murphy Ranch	2006	$5,290,000	49 very low-income, 39, low-income, and 12 moderate-income units.
Viale	2006	$875,000	10 single family detached homes for public school teachers. Qualifying incomes will range from low to moderate.
Royal Court	2006	$3,750,000	55 apartments units containing 1, 2, and 3 bedrooms and 9 single family units. The family rental units include 12 extremely low income units, 36 very low income and 7 low income. The sale units include 6 low income units and 3 moderate income units.

Source: City of Morgan Hill, 2006.